

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4453
ANSWERED ON:24.04.2008
PRICES OF ESSENTIAL DRUGS
Pandey Dr. Laxminarayan;Rijiju Shri Kiren

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the prices of essential drugs have doubled in March even after reduction in the excise duty;
- (b) if so, the details of such drugs;
- (c) whether the Government proposes to take action against such companies; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF MINES(SHRI B.K. HANDIQUE)

(a) to(d): Consequent to reduction in excise duty vide Notification No. 4/2008-CE dated the 1st March, 2008 from 16% to 8% and reduction of abatement from 42.5% to 35.5% vide Notification No. 14/2008-CE(NT) dated the 1st March,2008 of the Government of India in the Ministry of Finance (Department of Revenue), NPPA vide S.O. NO. 418(E) dated the 3rd March, 2008 revised the equivalent Maximum Retail Price (inclusive of all taxes) of all Scheduled formulation packs downwards by 4.58%.

With respect to non-Scheduled formulations NPPA vide Guidelines No. 2/2008 dated the 10th March, 2008 advised all the manufacturers and marketing companies to ensure the reduction of MRP (inclusive of all taxes) by 4.58% consequent to the reduction in Excise Duty.

The new MRP would be uniformly applicable in all the States, wherever the excise duty has actually been paid to the Government. S.O. NO. 418(E) dated the 3rd March, 2008 and Guidelines No. 2/2008 dated the 10th March,2008 are available at NPPA's website www.nppaindia.nic.in. No specific information has been brought to the notice of NPPA regarding doubling of drug prices in March, 2008 after reduction in excise duty.